The reshuffling chip market

While a 1.5% growth in semiconductor revenues in 2002 was better than 2001's disastrous 31.7% slide, share rankings shifted again in what is called a game of 'Survivor' by iSuppli's Dale Ford, co-creator of the Competitive Landscaping Tool. "Half of the top 30 are on the verge of getting voted off the island," he said.
Latest data shows that five 'survivor' companies in the top 30 supplier listing experienced double-digit revenue increases by focusing on market segments with solid demand in 2002. Five 'at-risk' companies were serving markets where slack demand resulted in double-digit declines in revenues. The 'survivors' were led by Samsung Electronics, with an impressive 43% revenue gain, thanks to strong DRAM and Flash memory sales, jumping from fourth to second place. nVidia, which posted a better than 44% revenue gain on strong graphics chip sales and ramping video game console sales, moved up six places to 24. In addition, CDMA leader Qualcomm achieved more than 39% revenue gain to rise five places to 23. Infineon Technologies and Micron Technology benefited from DRAM to enjoy revenue increases of more than 17%.
The 'at-risks' were headed by Agere Systems, whose focus on wired communications led to a more than 30% revenue decline, Ford said, followed by AMD who posted revenues down nearly 30% Double-digit revenue drops were also posted by Atmel, IBM Microelectronics and Fujitsu.
"Our top 30 semiconductor supplier listing is just one of literally billions of data sets that can be extracted from our customisable market share database using our newly-enhanced Competitive Land-scaping Tool (CLT).
"Using the CLT, marketing and purchasing, professionals can customise data to show market share information for more than 170 companies, across more than 100 semiconductor market segments, and view the data by segment, company, region, and/or application market.The CLT is a 'must have' tool for analysing the semiconductor competitive landscape," says Ford.

Strategic model for combined R&D and processing centre

The Crolles2 alliance facility in Crolles near Grenoble, France, has been opened.The joint R&D center will pioneer CMOS technology from 90nm processes to 32nm over the next five years and also includes a 300mm wafer semiconductor manufacturing pilot line, which is now beginning operation.

The Alliance (an interesting strategic model) was created in April 2002 when Motorola joined the existing alliance between Philips and STMicroelectronics. Taiwan Semiconductor Manufacturing Company also participates for process development and alignment.

The main building and infrastructure of the Crolles2 Alliance facility is now in place and equipment being installed. The three partners will have invested US$1.4bn in the facility by 2005.

"ST has an unequalled track record in forging productive partnerships and we have no doubt that the Crolles2 Alliance, which we believe represents the new business model for advanced R&D, will play a key role in the future growth of all three partners," says Pasquale Pistorio, president and CEO of STM.

"We believe the leading-edge technology platforms being developed by the Alliance today will drive the emerging convergence of tomorrow's technologies for multimedia and wireless applications," said Gerard Kleisterlee, Chair &CEO of Royal Philips Electronics.

The Crolles2 Alliance, already has 450 engineer, researchers. Some 50 are Motorola experts said Christopher Galvin, Motorola's Chair and CEO. By end of 2005, the Alliance plans to create more than 1,200 direct jobs and 4,500 indirect jobs in the region.

Zia gets funding

Zia Laser has been awarded another $5.4m in Series B equity financing to continue development and commercialisation of its quantum dot laser technology. Funding was led by Prism Venture Partners and RWI Group, Zia's original backers enabling it to launch commercial volume QD manufacturing and sales.

"Our business strategy and continued low burn rate are critical to the longevity of the company," commented president and CEO Tom Brennan.

The company has already begun sampling small quantities of its laser technology to customers and recently received ISO 9001:2000 National Quality Assurance certification.

Sumitomo and Cree sign for $100m LED chips

In what is the largest purchase commitment in Cree's history, Sumitomo is to purchase some $100m Cree LED chips, subject to a variety of terms. This will cover Cree's full line of LEDs from Megabright to XBright.

"This agreement is greater than four times last year's commitment from Sumitomo," said Chuck Swoboda, Cree president and CEO.

"In the past year we have seen explosive growth in the market in Japan," said Koichiro Kusano, GM of Sumitomo's Electronic Material and Equipment department.

Daw's open Welsh office in UK and outsources in US

Daw Technologies Inc and Daw Process Systems have opened a new office in Cwmbran, outside Newport, in South Wales. "Our analysis tells us that there is a great deal of potential for us within the South West and Wales," said John Langan, GM of Daw Process Systems.

The new office will allow Daw to serve companies such as International Rectifiers, which recently acquired the Newport-based semiconductor facility of ESM, IQE and Trikon, as well as others with clean room manufacturing requirements.

In the US Daw Technologies, Inc, is about to complete its move into outsourcing manufacturing.

With its current line of credit with US Bank not being renewed, the company is now negotiating an orderly pay down of the company's line of credit.